

## Al Benedict cites Carbondale for improper tax fund transfers

State Auditor General Al Benedict recently cited Carbondale officials for improperly transferring more than \$111,000 of state funds from the city's liquid fuels tax account to the city's general fund during 1979 and 1980.

Releasing an audit report of Carbondale's liquid fuels tax fund for 1979 and 1980, Benedict said \$102,359.40 of the total \$111,293.78 was transferred without documentation of what the money was to be used for.

Without documentation, the transfers were considered temporary loans to the general fund. Under state law, liquid fuel money may not be loaned to any other account.

The remaining \$8,934.38 was used to pay nonallowable expenses including sewer work and the purchase of a used fire engine. Liquid fuel funds may only be used to construct and maintain roads and bridges and acquire, operate and repair street safety devices.

### Reimbursed

The report noted that the city eventually reimbursed its state highway account the full

\$111,293.78.

Benedict blamed the improper transfers on the city's poor management of its liquid fuels tax account.

The report stated: "We conclude that with adequate recordkeeping and strong internal controls, the city would have been in a position to support the transfers to the general fund in their entirety."

According to Benedict, the poor recordkeeping and controls prevented his auditors from applying normal auditing procedures to 1979 liquid fuels tax expenditures.

Improvement was noted after the appointment of a new city finance director, Joseph Masco, in 1980.

Without documentation, the transfers were considered temporary loans to the general fund. Under state law, liquid fuel money may not be loaned to any other account.

The 1979 allocation of \$63,612 was not

received by Carbondale until Dec. 12, 1979. The city was also late in filing a financial report for its 1980 allocation, but PennDOT inadvertently failed to withhold the money.

The incomplete payroll records failed to identify the nature of the work performed by road department employees or their work locations.

On another matter, the report noted that the city earned \$2,101 of interest by keeping its temporarily idle liquid fuel funds in an interest-bearing account. Benedict said, however, that Carbondale could possibly have earned additional interest had the city received its 1979 allocation on time and invested all or part of the money until needed.

In other Carbondale news, Benedict reported that his department's 1980 audits of the city's police pension fund, paid firemen's pension fund and volunteer firemen's relief association were in progress.

The auditor general has the authority to audit state tax money within a municipality but does not have the authority to audit local tax revenues.

### Failing to file

Two other findings in the report released today cited Carbondale for failing to submit a financial report to the Pennsylvania Department of Transportation in time to receive its 1979 liquid fuels tax allocation on April 1, 1979, when the money was distributed statewide, and having incomplete payroll records.

The 1979 allocation of \$63,612 was not

## Mayor refutes Benedict's report

Carbondale Mayor Fred Mancuso said last Wednesday, in a news release, "The City of Carbondale has not and is not engaged in any illegal use of state Liquid Fuel Tax funds" and that a press release from State Auditor General Al Benedict's office was "sensationalism compounded by 'The irresponsible use of the word illegal' to blacken the reputation of the city government of Carbondale."

New stories last Wednesday based on a press release from Benedict's office said the city had improperly transferred more than \$111,000 from the Liquid Fuels Tax account to the general fund in 1979 and 1980.

Mayor Mancuso said, "We did transfer these funds because the Liquid Fuels funds arrived late and we were forced to use general fund monies to meet expenses which would have come from the Liquid Fuels account had we had it on time."

Technically, the transfer was incorrect, but even the auditor general said in his audit report that we later provided documentation and a quote from the report, "We (the auditor general's office) verified full repayment to the state account."

The mayor continued that in 1979 Pete Judge was not only the city's managing director, but was also serving as acting finance director.

"We were trying to save money by not appointing a finance director, so Pete was doing two jobs. He was in the finance office only part time and was unable to devote the time necessary to the finance job."

"I resolved that in January of 1980 by

appointing Joe Masco finance director. When Joe took over the finance office, the problem was resolved. Joe restructured the records and came up with the documentation for the transfers and that documentation was found satisfactory by the auditor general's auditors."

### Notes improvement

The mayor said, "In the auditor general's report he states 'we noted an improvement in the record keeping after the appointment of finance director Joseph Masco in 1980.'"

The mayor also said, "In the report, the auditor general points out that a municipality is permitted, as we did, to reimburse the general fund for previously incurred expenditures, which initially would have been proper disbursements from the state account when such transfers are supported by full documentation."

"Our finance director, at the time, Pete Judge, in transferring the funds, was within what the state permits. He was amiss in not — at that time — documenting the transfer."

"However, Joe Masco was able to document those very same transfers to the satisfaction of state auditors when he took over the finance office in 1980."

"It was an oversight and a technical error on Pete's part, caused partially because he did not have enough time to devote to both jobs. But at no time, was there an intentional or deliberate effort to violate state guidelines. There was no illegality in any criminal sense. And I deeply resent any insinuation that such illegality existed. Technically, yes, illegality in the true sense of the word, no! At no time in his eight-page audit report does the auditor general state that the city engaged in any 'illegal' act."

Mayor Mancuso said, "The auditor general recommended a number of improvements in the recordkeeping and bookkeeping systems and we have since implemented many of these recommendations. We have since instituted strong internal controls and updated our record keeping to ensure that transfers are supported by full documentation."

The mayor added, "When we took over, the finance office was in shambles. It took us several years to build a system where we have the internal control needed. I am confident that these achievements, much of which the credit belongs to Joe Masco, will be reflected in the auditor general's next report for the years 1981 and 1982."

### Put up or shut up

"For some time now I have sat back and allowed the reputation of the people in my administration and the good name of Carbondale to be blackened by irresponsible and unproven charges that there is something wrong with our financial operations."

"From this point on, I will not remain silent. If they have proof, let them step forward and take the proof to the proper authorities. Let them put up or shut up. But let them then take their irresponsible attacks which serve only to further hurt the reputation of Carbondale."

### Judge says PennDOT differs with Benedict

## Managing director says other report commends city for 1979

"They don't get along among themselves," Martin P. Judge, city managing director, told the *Carbondale Mirror* as he showed a copy of a Pennsylvania Department of Transportation (PennDOT) audit.

The PennDOT audit covers the Liquid Fuels Tax Fund Account for Jan. 1, 1979 to Dec. 31, 1979, the time period under which the city has come under fire from the office of Auditor General Al Benedict in a recently released audit press release.

Judge said, "One commends (the PennDOT audit), the other criticizes (the auditor general's)."

Comments issued with the PennDOT report, released on June 5, 1980, include: "All monies received were deposited into a special account designated as the 'Carbondale City Liquid Fuel Account' in the Liberty Discount and Savings Bank, Carbondale, Pennsylvania."

"The balance of the State Fund on December 31, 1979 will be as follows: Tab 1 (\$24,882.07) Tab 11 (\$16,326.59)

### Church notes

#### Beren Baptist Church, Carbondale

Wednesday, Nov. 25, 7:30 p.m., Union Thanksgiving Service at the First Presbyterian Church of Carbondale.

Thursday, Nov. 26, 10 a.m., Ecumenical Thanksgiving service at St. Rose of Lima.

Sunday, Nov. 29, 9:45 a.m., church rehearsal; 11 a.m., morning worship, with Dr. Claude A. Pullis, pastor. Nursery provided. 6-8 p.m., All Church Family Advent Festival.

First United Methodist Church of Carbondale

Wednesday, Nov. 25, 9 a.m., quilters will meet; 5:30 p.m., Children's Choir rehearsal; 6 p.m., Methodist Beaus and Belles Choir practice; 7:30 p.m., Union Thanksgiving Service at First Presbyterian Church of Carbondale.

Friday, Nov. 27, 8:30 p.m., Spark rehearsal.

Sunday, Nov. 29, 9:15 a.m., church school; 10:30 a.m., morning worship service; 6:30 p.m., Methodist Youth Fellowship.

Monday, Nov. 30, 2 p.m., Youth Bell

Choir practice; 6 p.m., Methodist Beaus and Belles choir practice.

#### Lackawanna Episcopal Ministry

Saturday, Nov. 28, 6:30 p.m., Trinity Episcopal Church, Carbondale, Holy Eucharist, the Rev. John Lloyd, rector.

Sunday, Nov. 29, 7:30 a.m., Trinity, Holy Eucharist, the rector.

St. George's, Olyphant, 9 a.m., Holy Eucharist and sermon, the Rev. Forrest Vaughan.

Trinity, 10:30 a.m., Holy Eucharist and sermon, the rector.

St. James, Jersey, 11 a.m., Holy Eucharist and sermon, the Rev. Vaughan.

Wednesday, Dec. 2, 10 a.m., Trinity Episcopal, Carbondale, Holy Eucharist, healing service, the rector.

First Presbyterian Church of Carbondale

Tuesday, Nov. 24, 7 p.m., Presbyterian Women Association executive board meeting, 8 p.m., Presbyterian Women Associa-

tion meeting, with the Rev. Stephen W. Starzer, guest speaker.

Wednesday, Nov. 25, 7:30 p.m., Union Thanksgiving Eve Service, with the Rev. Donald Bartholomay, pastor, First United Methodist Church, speaker.

Thursday, Nov. 26, 10 a.m., Ecumenical Thanksgiving Service at St. Rose of Lima Church, Carbondale.

Sunday, Nov. 29, 9:45 a.m., Sunday School; 11 a.m., morning worship service, with sermon by the Rev. Charles F.J. Starzer, pastor; 6 p.m., Junior Youth Fellowship; 7 p.m., Senior Youth Fellowship.

Our Lady of Mt. Carmel Church, Carbondale

Daily Masses are held at 7 a.m. and 7:30 a.m.

Saturday Masses are: 8 a.m., 5 p.m., and 7 p.m.

Sunday Masses are: 7:30 a.m., 9:15 a.m., and 11 a.m.

Sunday, Dec. 13, 2-4 p.m., Christmas party for all the children of the parish, from grades kindergarten to sixth, in the church auditorium, Fairbrook St., Carbondale.

## Mirror classifieds

### REAL ESTATE

**FOR SALE** — Number of homes owner-financed at lower than bank rates: 12 percent to 14 percent. W.J. "Bill" Petrin Realtor, 17 Park Place, Carbondale, 282-9621.

### Carriers wanted

The Carbondale MIRROR is looking for newspaper carriers for the city East Side, Canaan Street area, for Simpson, Mayfield, and Jerny.

Carriers must be able to pick up newspapers at the MIRROR office at 64 Fairbrook St., Carbondale.

For additional information, call 282-0786.

### LEGAL

#### Invitation to bid

The Carbondale Area School District requests bids on the cleaning and maintenance of school equipment and specifications on file in the office of the School District.

All bids must include a good faith deposit, either cash or check or similar secured draft, in the amount of five percent (5%) of the bid price. No interest-free bonds will be accepted. The security deposit of the unsuccessful bidder will be retained until the Contract is completed.

All bids must be in a sealed envelope, clearly marked with the type of bid and addressed to the Business Office, Carbondale Area School District, Route 6, Brookside Street, Carbondale, Pennsylvania, and must be received no later than 4:00 P.M. Wednesday, December 2, 1981.

A bid will be opened at a public meeting of the Carbondale Area School District, to be held at 8:00 P.M. on Wednesday, December 2, 1981. In the event there is a postponement to the meeting, there will be the extension of time for bidding and all bids will be held unopened until the actual date of the meeting. The Carbondale Area School District reserves the right to reject any or all bids, to withdraw the bidding, or to waive any defects in the bidding in its sole discretion.

Further information and specifications are available at the Business Office of the Carbondale Area School District, Route 6, Brookside Street, Carbondale, Pennsylvania, during normal business hours.

Thomas J. Earles, President  
Joan Tobolski, Secretary

### 10% off

If you make payment for your classified ad at the time you submit it to the Carbondale MIRROR, the MIRROR will give you a 10 percent discount.

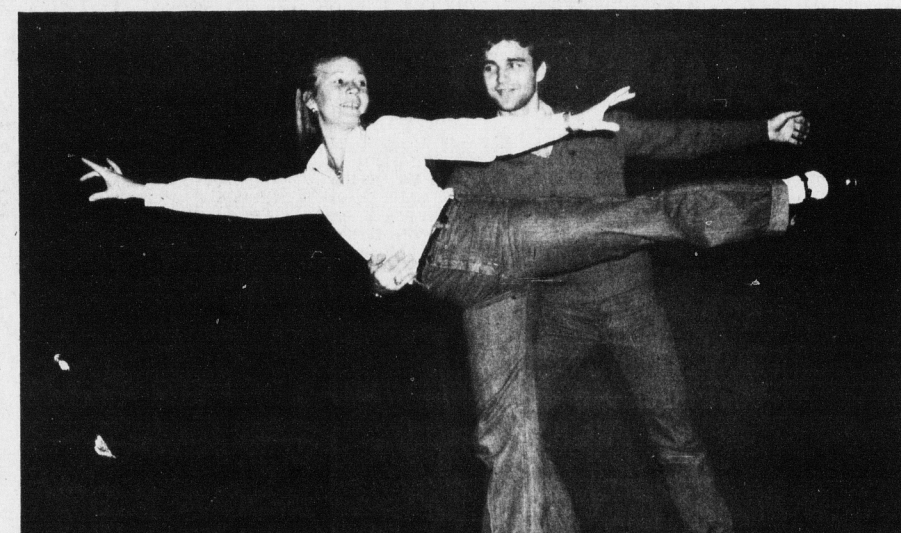
The MIRROR's classified ad rates are: \$2 minimum (covers up to 20 words). After 20 words, each additional word is five cents.

There are no discounts for telephoned-in classified ads, but the MIRROR will be happy to accept them over the phone.

Just simply call

282-0786

Before noon on Mondays.



THE DANCERS are on their toes for rehearsals of "CABARET" scheduled to be given by Encore Theatre at Carbondale Area High School auditorium the first two weekends in December. The large (45-member) cast includes, above, professional dancer Patti Maxum of Hawley, and Paul Daugavelo, Forest City. Allyn Benson is director-choreographer and plays the Master of Ceremonies in the show. Performances are set for 8 p.m. Saturday, Dec. 5, 6 and 12, with a 2 p.m. matinee Sunday, Dec. 13. (MIRROR photo by Ros-At)

### Lakeland Boosters slates buses

The Lakeland Booster club will sponsor buses to the Chiefs-Berwick championship playoff game on Saturday, Nov. 28, at 1 p.m. Reservations may be made by calling the secondary office at the high school or by contacting any booster club member.

### School calendar

#### Lakeland

Wednesday, Nov. 25, medicals will be given to students in grades K, 6 and special education at Mayfield elementary Building in the Health Suite, Yearbook Candid Photos.

Thursday, Nov. 26, Thanksgiving Vacation — classes will resume on Tuesday, Dec. 1, at regular times.

Friday, Nov. 27, Girls' Basketball at Bishop Hannan; J.V. Game at 6:30 p.m.; Varsity Game at 7:30.

Saturday, Nov. 28, 1 p.m., Chiefs at Berwick — Eastern Conference A Championship Playoff Football Game.

See related stories on the report elsewhere in this week's issue of the *Carbondale Mirror*.

Any children of the seventh and eighth grades wishing to attend are also welcome.

First United Methodist Church, Jerny

Thursday, Nov. 26, Thanksgiving Day, 8 a.m., worship service, with the sermon, "Be Healed by Thanksgiving." The scripture: Deuteronomy 26:1-11, the Gospel, Luke 12:16-31. Special music will be provided by the church choir.

Sunday, Nov. 29, First Sunday of Advent, 10 a.m., morning worship, with the sermon, "Preparation." — Scripture, Isaiah 21:5 and the Gospel, Matthew 24:36-44. Special music will be provided by the church choir.

Visitors are welcome; members are expected. A nursery is available during the worship service. 11:15 a.m., Sunday School, classes for all ages, preschool through adult; 6 p.m., Youth Fellowship meets.

Tuesday, Dec. 1, 3 p.m., JOY meets.

St. Rose of Lima Church, Carbondale

Daily Masses: 6:30 a.m., 7:30 a.m., 8 a.m., 12:10 p.m., 5:15 p.m.

Saturday Masses: 5:15 p.m., 7:30 p.m.

Confessions are heard from 3:45-5 p.m. and from 6:45-7:30 p.m.

Sunday Masses: 8 a.m., 7:30 a.m., 9 a.m., 10:30 a.m., 12 noon, and 5:15 p.m.



## GIVE THANKS

May the spirit and tradition of Thanksgiving bring you and yours closer together. We wish you all a happy day.

Oliver R. Shifler Funeral Home  
94 N. Main St., Carbondale  
282-1400

Griff's Corner Restaurant and  
Reynold's Gift Shop  
Carbondale

Hendrick Manufacturing  
Clicco Drive, Carbondale  
282-1010

Frank A. Serafini, state representative

The Staff at Carbondale City Hall

Pozza Spedding Florist

27 Salem Ave., Carbondale, 282-4265

Proprietors, Joseph and Angelo Pozza

Hotel Chellino

Sixth and River, Carbondale  
282-9873

Carbondale Area Ministerium

"Attend church this Thanksgiving"